

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

Implementation of the Cable Television)
Consumer Protection and Competition)
Act of 1992)
Broadcast Signal Carriage Issues)

MM Docket No. 92-259

To: The Commission

COMMENTS OF TRIBUNE BROADCASTING COMPANY

Tribune Broadcasting Company ("Tribune") herewith responds to the Notice of Proposed Rule Making ("Notice") in this Docket, FCC 92-499, released November 19, 1992. Tribune operates seven television stations in major markets served by cable, and is vitally interested in the outcome of the rulemaking.*

While the Notice raises many important questions, Tribune wishes to focus its comments at this stage on a single issue: protecting a station's unfettered right to make the statutory election between must-carry and retransmission consent, without interference by third-party program suppliers. It is critical that the Commission expressly declare and protect this right in the regulations implementing the Cable Television Consumer Protection and Competition Act of 1992 (the "Cable Act").**

* Through subsidiaries, Tribune operates independent television stations WPIX, New York; KTLA, Los Angeles; WGN-TV, Chicago; WPHL-TV, Philadelphia; WGNX, Atlanta, KWGN-TV, Denver and WGNO, New Orleans. Tribune also operates a television program production and distribution company, Tribune Entertainment Company.

** Pub. L. No. 102-385, 106 Stat. 1460 (1992).

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SUMMARY

After assessing the television marketplace and the economic forces at play between television stations and cable systems, Congress, in the Cable Act, granted television stations two new rights. These rights, to mandatory carriage (subject to stated limitations) ("must-carry"), and to permit cable retransmission of the station's signal only with its consent ("retransmission consent"), were created to redress a perceived imbalance in market forces, and to ensure the delivery of local programming to the public.

The Commission should permit television stations to exercise these rights in their broadcast signals in the manner Congress intended — free from restraints by program suppliers, copyright owners or others with a proprietary interest in the individual programs broadcast by the station. Such an interpretation of the Cable Act would be consistent with the Commission's longstanding construction of a related provision of the Communications Act and with sound policy considerations.

For the reasons set out below, the Commission should provide by rule that no agreement between a television station and a program supplier may directly or indirectly limit, condition or restrict the station's right to grant retransmission consent under Section 325(b) of the Communications Act of 1934 as amended, or to signal carriage under Section 614 of the Communications Act. Alternatively, the Commission should expressly declare that the Cable Act, which gives a station sole authority

over retransmission of its signal, does not give third parties the right to withhold, deny or condition those rights.

I. The Rights Created by the Cable Act.

Congress made its intentions abundantly clear in the legislative findings set forth in Section 2 of the Cable Act. Congress found that television stations serve an important public interest as a source of local news and public affairs programming. § 2(a)(11). Congress found that cable systems compete with local television stations, § 2(a)(14), and that economic forces create incentives for cable operators to drop, reposition or not carry local stations, § 2(a)(15). Without remedial legislation granting stations the rights to signal carriage on local cable systems and to consent to cable carriage, the Act declares, "the economic viability of free local broadcast television and its ability to originate quality local programming will be seriously jeopardized." § 2(a)(16).

The Commission has recognized the importance of these findings, which are the foundations for the Cable Act's mandatory carriage and retransmission consent provisions:

[T]he 1992 Act and its legislative history evidence Congress' conclusion that there is a substantial governmental interest in ensuring that cable subscribers have access to local commercial and noncommercial broadcast stations. Further, the 1992 Act and its legislative history indicate that Congress has determined that the must-carry and channel positioning provisions of the 1992 Act are needed to protect the system of free, over-the-air television broadcasting and to promote competition in local markets. Specifically, Congress has concluded that such regulation is needed to ensure a competitive balance between cable systems and broadcast stations. With respect to

retransmission consents, Congress has concluded that a substantial portion of the fees subscribers pay to cable systems is attributable to the value subscribers place on viewing broadcast signals. Prior to the 1992 Act, however, cable operators have not been required to seek the permission of the originating broadcaster before carrying its signal, nor have they been required to compensate the broadcaster for the value of its signal. To remedy this situation, Congress included in the 1992 Act a provision permitting broadcasters to seek compensation from cable operators and other multichannel providers for carriage of their broadcast signals.

Notice, ¶ 4 at 3-4.

The Cable Act's grant of must-carry and retransmission consent rights to television stations, thus, is built on firm legislative findings. The anchor of these findings is the public interest in diverse local broadcast programming.

As to retransmission consent, the Cable Act requires the express authority of "the originating station" for a cable system or other multichannel video programming distributor to retransmit "the signal of any broadcasting station, or any part thereof." 47 U.S.C. § 325(b)(1)(A) (emphasis supplied).

It is important to note what the Cable Act says, and what it does not say. Section 6 says the authority of "the originating station" is required. It does not say the consent of any other party is necessary or sufficient. Tribune believes the plain language of the statute answers the question posed in the Notice (¶ 65 at 31) whether in the absence of contractual limitations, a station may grant or withhold retransmission consent "without authorization from the copyright holders." The answer is yes.

The Cable Act also speaks in terms of retransmission of a station's "signal," rather than retransmission of constituent elements of the signal, such as individual programs. It endows the broadcaster with statutory rights as the originator of a television signal. Congress could have granted equivalent rights to those who own the programs themselves — copyright owners — but chose not to do so.

The Commission implicitly recognizes why the copyright holder's consent is not required — because the Cable Act is not a copyright statute. The retransmission right is a separate right that a cable operator must obtain from the party who is given that right by statute:

Accordingly, when a station elects retransmission consent, a cable system (or other multichannel video programming distributor) must obtain the permission of the station to carry its signal -- even if the system has already secured permission to retransmit the individual programs carried on that signal through either the cable compulsory license or the express agreement of the copyright holders. (Emphasis supplied.)

Notice, ¶ 64 at 31. The retransmission right and the copyright are thus two entirely different property rights, often owned by different parties.* The Cable Act does not link these rights, and does not require that the owner of one right consent to the exercise of the other.

* See United Video, Inc. v. FCC, 890 F.2d 1173, 1185-87 (D.C. Cir. 1989), underscoring the distinction between and coexistence of communications policy (embodied in the Communications Act and the Commission's syndicated exclusivity rules) and copyright policy (embodied in the Title 17 and the cable compulsory license); Malrite T.V. of New York v. FCC, 652 F.2d 1140, 1147-48 (2d Cir. 1981), cert. denied, 454 U.S. 1143 (1982).

The same is true of the must-carry right created by Section 4 of the Cable Act.* Section 4 speaks of a cable operator's carriage of "signals," not program elements. See 47 U.S.C. §§ 534(a), 534(b), 325(b)(1)(B). Indeed, subject to the Commission's sports blackout, syndex and network nonduplication rules, the Cable Act requires a cable operator to carry "the entirety of the program schedule of any television station carried on the cable system." 47 U.S.C. § 534(b)(3)(B). Ownership of components of the program schedule, and consent of the owners, are irrelevant to the statutory scheme.

Cable operators are directed by Section 4 to carry "in its entirety, ... the primary video, accompanying audio, and line 21 closed caption transmission" of each station, as well as "program-related material carried in the vertical blanking interval or on subcarriers," to the extent technically feasible. 47 U.S.C. § 534(b)(3)(A). Again, these requirements exist irrespective of the ownership of these components of the broadcast signal, or the consent of the owners.

In sum, Congress has perceived that market forces do not function properly in the delivery of television signals to cable subscribers. It has redressed the problem by granting rights of retransmission consent and mandatory carriage to television broadcasters. Congress acted under its commerce power, by creating and granting property rights under the aegis

* Tribune is limiting its comments to the provisions affecting commercial television stations. The same principles would seem to apply to noncommercial broadcasters, however.

of the Communications Act. Congress left the copyright regime, including the cable compulsory license, in place.* The Commission should properly conclude that the consent or authorization of third parties — be they copyright owners, program suppliers or other third parties with an interest in the content of the station's programs — is not required for the station to exercise its must-carry or retransmission consent rights.

II. Section 325 Traditionally Has Given Stations The Sole Right to Grant Rebroadcast Consent.

Congress built the Cable Act's retransmission consent right on the foundation of an existing provision of the Communications Act — Section 325(a), which forbids "any broadcasting station [to] rebroadcast the program or any part thereof of another broadcasting station without the express authority of the originating station." 47 U.S.C. § 325(a).

This section reads very much like new Section 325(b), created by Section 6 of the Cable Act. Both require the "express authority of the originating station" before a third party can retransmit the station's programming to the public. And Section 325(a) refers to the rebroadcast of a "program," whereas the Cable Act's new retransmission section refers more broadly to the station's "signal."

* "The principles the underlie the compulsory copyright license of section 111 of the copyright law (18 U.S.C. 111) [sic] are undisturbed by this legislation" Conference Report on S. 12, Cable Television Consumer Protection and Competition Act of 1992 ("Conference Report"), H.R. Rep. No. 862, 102d Cong., 2d Sess. (1992) at 76.

In construing Section 325(a) over many years, the Commission has held that a station's consent, and only a station's consent, is needed to make a rebroadcast lawful. Permission of third parties such as syndicators, networks and sports teams is not necessary, and even these parties' objection is no bar to consent.

For example, in Board of County Commissioners, Monroe County, Florida, 72 F.C.C.2d 683 (1979), a local cable operator objected to the county's applications to construct TV translator stations in the Florida Keys that would carry three network affiliates, two independent stations and the local public broadcasting station. Tele-Media, the cable operator, protested

that most network affiliation and syndicated program contracts either require the consent of the network or syndicators prior to such authorization, or they flatly prohibit retransmission authorization of the subject programming by the local station. In this regard, we note that Monroe County has obtained the consent of each primary station to rebroadcast its programming. In addition, Monroe County has obtained letters of consent from each commercial network, and from the Public Broadcasting Service. However, it is Tele-Media Corporation's contention that Monroe County must also obtain the rebroadcast consent of each program syndicator for any syndicated programs that may be transmitted over the primary stations. In support of this contention, Tele-Media has filed letters from several program syndicators purporting to limit rebroadcasting of their programming without prior consent.

Id., 689.

The Commission summarily dismissed the objection that the station had failed to obtain the consent of program syndicators:

Section 325(a) ... provides, in part, that no broadcast station shall "... rebroadcast the program

or any part thereof of another broadcasting station without the express authority of the *originating station*." All that is required by Section 325(a) is that consent be obtained from the originating station. Neither the statute nor our rules require the consent of anyone else. See *Storm King Television, Inc.*, 19 F.C.C.2d 876 (1969). To construe Section 325(a) to require the consent of each program syndicator on a program by program basis would effectively read into the Act a requirement not imposed by Congress.

Id. (*italics in original; underscoring supplied*).

The Commission applied this rule again in Blair Broadcasting of California, Inc., 48 R.R.2d 1551 (1981), which concerned an application to construct a translator station in Santa Barbara, California that would rebroadcast the signal of co-owned KSBY-TV, San Luis Obispo. Key Television, Inc., which operated a full-power station in Santa Barbara, objected.

Key claimed, among other things, that "Blair had not obtained consents from program syndicators to rebroadcast KSBY-TV's syndicated programming in Santa Barbara." Id., 1554. Key suggested that the failure to obtain such consent "may result in copyright infringement which should not be sanctioned by the Commission." Id. Again, the Commission rejected this argument, applying the plain language of the Communications Act:

The Commission has consistently held that Section 325(a) only requires that rebroadcast consent be obtained from the originating station. See *Monroe County Board of Commissioners*, *supra*. Further, to the extent that [a] copyright problem may develop in connection with the operation of the proposed station, we believe that such a problem is a matter for resolution by the forum best equipped to deal with copyright matters and not the Commission. Since Blair is the primary station

for the proposed translator, no further consent requirements must be met under our rules. Id.*

Tribune submits that the Commission should apply the same rule to rebroadcast consent elections under Section 325(b) of the Communications Act, and to must-carry elections under Section 4, that it has consistently applied under Section 325(a). Congress has invested in the originating station, and no one else, the unfettered discretion to grant or withhold rebroadcast or retransmission consent. For the reasons described in the next section, we submit that sound policy reasons support this view, and nothing in Section 325(b)(6) of the Communications Act undermines it.

III. Allowing Third Parties to Block Retransmission Consent Would Frustrate Congressional Intent.

As noted above, Congress made several choices in enacting the Cable Act. Congress chose not to amend or repeal cable's compulsory copyright license. It chose to give the retransmission right (and the right to must-carry status) to stations, and not to copyright owners, networks, syndicators, owners of television commercials, AFTRA, ASCAP, BMI or professional sports teams — any or all of whom could claim some variant of a proprietary interest in the contents of a station's programming. And Congress chose to make the retransmission right in § 325(b)

* See also Channel Seven, Inc. (KLTV), 3 R.R.2d 680, 682-83 (1964) (Dallas Cowboys' failure to object to a station's rebroadcast of their games could not be a deciding factor in the station's decision to grant or withhold rebroadcast consent).

applicable to a station's "signal," broader even than the reference to "program" in § 325(a), the rebroadcast consent provision.

It is wholly unsurprising to see that the Commission in the Monroe County and Blair Broadcasting cases, supra, was presented with claims that syndicators had withheld rights to grant rebroadcast consent. As a consumer of syndicated programming for decades, Tribune can represent to the Commission that such provisions are standard "boilerplate" in program licensing agreements throughout the television industry. Such contract terms were written into syndication contracts long before the 1992 Cable Act was ever dreamed of. See Exhibit A, which consists of representative provisions from recent form contracts prepared by program syndicators, and Major League Baseball's "Required Language for Broadcast Contracts," all predating the Cable Act, which prohibit retransmission of the subject programs or limit a station's right to grant retransmission consent.*

Tribune is confident that virtually every commercial television station in the United States is party to one or more syndication contracts that limit or restrain retransmission in

* For example, the Columbia Pictures, Paramount, MGM-Pathé, Carolco and Viacom form contracts forbid the station to authorize telecasts of the programs over cable television; the Carolco and Viacom agreements give the syndicator the right to terminate the contract if such retransmissions occur. The Republic, Buena Vista, Columbia and Twentieth Century Fox contracts state that any funds received by the station from retransmission will be held by the station as trustee and must be promptly paid over to the syndicator. The "required" Baseball clauses deny the station the right to grant retransmission consent as it sees fit. One forbids retransmission by cable systems outside a territory specified by Baseball. The other forbids it unless and until the parties agree on how much the ball club will be paid.

the manner depicted in Exhibit A. Given that the Cable Act sets an October 5, 1993 deadline for a station's grant of retransmission consent, we suspect that the Commission, the courts or both may be besieged with requests to interpret such pre-Cable Act contract clauses to determine their scope and efficacy. Such requests would surely tax the Commission's already-overtaxed resources beyond the breaking point.

The Commission should declare contract clauses of this sort ineffective to prohibit a station's exercise of its statutory retransmission right, because they frustrate the intent of Congress as evidenced by the plain language of the Cable Act. We urge the Commission to rule that no program supplier, nor any other owner of rights in individual programs, can limit or impair a station's exclusive statutory right to grant retransmission consent or elect must-carry status with respect to its broadcast signal.

This conclusion flows from the statutory language and the Cable Act's underlying policies. First, Congress has given the retransmission right to the "originating station" and no one else. 47 U.S.C. § 325(b)(1)(A). Second, retransmission consent must be granted or withheld for a three-year period for an entire signal, not on a program-by-program basis. Id.; § 325(b)(3)(B). No party other than the station controls the entire broadcast signal. One syndicator, or one sports team, we submit, should not be able to frustrate the intent of Congress that every television station have a free hand in choosing the terms on which it

will deal with cable systems who carry its signal. Certainty in this regard is imperative given the statutory deadline, and the fact that every television station will have to make a statutory election for each cable system in its ADI, in many cases numbering in the dozens.*

New Section 325(b)(6) of the Act provides that:

Nothing in this section shall be construed as modifying the compulsory copyright license established in Section 111 of title 17, United States Code, or as affecting existing or future video programming license agreements between broadcasting stations and video programmers.

While the meaning of this language is not completely clear, it does not undermine Tribune's position in any way. The first clause, as noted above, indicates Congress' intent to leave undisturbed the cable compulsory license — the vehicle whereby cable systems obtain rights under copyright to rebroadcast local and distant stations' programs.

The second section, dealing with "video programming licensing agreements" between stations and "video programmers," is less clear. It could be construed to apply to network affiliation agreements or perhaps program syndication contracts, though

* Other sections of the Commission's rules restrict the terms of contracts between stations and program suppliers. Section 73.658(m), for example, limits the zone of territorial exclusivity that a station and a program syndicator validly may agree to. Other subsections of § 73.658 restrict the terms of affiliation agreements between television networks and their affiliates.

it is not at all clear that a party who merely sells the rights to broadcast or originate programming is a "programmer."*

In any event, these agreements are consensual copyright licenses — the converse of compulsory licenses. Tribune submits that the only reasonable reading of this section is that Congress intended to leave copyright licenses of all sorts undisturbed on matters of copyright law, thus underscoring the distinct nature of the retransmission right created by Section 6 of the Cable Act. As the legislative history states:

Cable systems carrying the signals of broadcast stations, whether pursuant to an agreement with the station or pursuant to the provisions of new sections 614 and 615 of the Cable Act, will continue to have the authority to retransmit the programming carried on these signals under the section 111 compulsory license. The conferees emphasize that nothing in this bill is intended to abrogate or alter existing program licensing agreements between broadcasters and program suppliers, or to limit the terms of existing or future licensing agreements. (Emphasis supplied.)

Conference Report, supra at 76-77. Again, Congress makes the distinction between cable systems' rights in programming (which derive from the Copyright Act's compulsory license) and stations' rights in programming (from license agreements) on the one hand, and rights to the signals, which are governed exclusively by the Cable Act. The two clauses of Section 325(b)(6) should be

* It would be a far more tortured construction of the statutory language to consider a sports franchise that merely sells rights to telecast on-the-field athletic events a "video programmer" or a "program supplier," the term used in the legislative history. Conference Report, supra at 77. A network, on the other hand, which selects and disseminates a schedule of programming, is more commonly understood to be a "video programmer."

construed *in pari materia* as dealing with a single subject, copyright, a subject that is left undisturbed by the new Act.

Given the clear congressional intent to create a powerful new right for every television broadcaster, rather than a right subject to the indulgence of copyright owners, the Commission should construe Section 325(b) consistent with its long-standing interpretation of Section 325(a) — as giving a television station the sole and exclusive right to decide the terms on which it will permit retransmission of its entire signal. Permitting any party to block the retransmission of a signal through contract terms licensing a program would, we submit, completely frustrate the statutory purpose and render Section 6 of the Act a virtual nullity. The must-carry and retransmission consent provisions, designed to protect the public's interest in local and diverse programming sources, should not be construed in a manner likely to injure that interest.

CONCLUSION


For the foregoing reasons, Tribune Broadcasting Company submits that the Commission should adopt rules providing that a station's right to grant retransmission consent and to elect must-carry status may not be limited, conditioned or restricted, directly or indirectly, in any agreement granting the station rights to telecast or originate video programming. Alternatively, the Commission should clarify that the statutory

rights belong exclusively to the originating station, and that provisions of license agreements governing copyrighted programs may not preclude a station's exercise of the statutory rights.

Respectfully submitted,

TRIBUNE BROADCASTING COMPANY

By



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Dated: January 4, 1993

EXHIBIT A

TERMS AND CONDITIONS

1. Rights and Nature of License.

→ (a) The License grants Licensee the limited right to make free television broadcasts of the particular Programs specified on the cover page of this Agreement (the "Cover Page"). Licensee may broadcast such Programs only to non-paying audiences, and shall be limited to the number of broadcasts per Program and the broadcast days and/or times (if any) specified on the Cover Page. Licensee shall broadcast the Programs only over the facilities of the television broadcast station known by the call letters specified on the Cover Page and only by transmission from the originating and existing transmitter and antenna of said television broadcast station. Licensee will not transmit or broadcast, or authorize the transmission or broadcast, of any Program or any portion thereof by means of any cable television system, community antenna system, microwave system, booster, translator, satellite or other similar device whether now in existence or coming into existence during any portion of the term hereof.

→ (b) In the event a telecast of any Program licensed hereunder is, with or without Licensee's authorization, amplified, retransmitted or relayed on the same or any other device or method not specifically authorized herein for reception outside the "specified zone" of the community to which the station is licensed (as said term is defined in 47 C.F.R. §76.5(f)), Licensor shall have the right, in its absolute discretion, to terminate this Agreement in accordance with the termination provisions set forth in Paragraph 6, below and said event shall constitute a "Termination Event" in accordance with the provisions of such Paragraph.

2. Commercial Time.

(a) The Licensor Commercial Time stated on the Cover Page shall be sold or otherwise disposed of by Licensor at Licensor's sole discretion. Licensee shall comply with all instructions furnished by Licensor regarding the placement, length and broadcast positions within the Programs of the Licensor Commercial Time, and of commercials to be inserted in the Licensor Commercial Time (the "Commercials"), and shall not change the time designated by Licensor for the broadcast of the Commercials. The placement, timing and format of the Commercials shall be determined by Licensor. The total number of minutes of advertising time within each Program shall be precisely that amount as is set forth on the



A DIFFERENT WORLD

STANDARD TERMS AND CONDITIONS

Terms used herein and not otherwise defined shall have the same meaning as set forth in the form of offer letter consisting of pages i-v delivered by VIACOM to which these Standard Terms and Conditions were attached ("Offer Letter"). As used herein, the terms "Agreement", "herein", "hereof" and "hereunder" shall be deemed to refer to these Standard Terms and Conditions, together with Station's Offer Letter.

1. LIMITED LICENSE:

(a) *Limitation of Grant:* The rights granted to Station under this Agreement are limited to the right to make free over-the-air television broadcasts of the Episodes licensed hereunder in accordance with the terms hereof and only to non-paying audiences, only over the facilities of Station and only by transmission from the originating and existing transmitter and antenna of Station. Station will not transmit or broadcast, or authorize the transmission or broadcast, of any of the Episodes by means of cable television systems, microwave systems, boosters, translators or satellites or other similar devices, and will not charge or collect any money, service, or valuable consideration from any party who transmits or broadcasts any of the Episodes by means of cable television systems, microwave systems, boosters, translators or satellites or other similar devices.

(b) *Other:* In the event a telecast of any Episode licensed hereunder is, with or without Station's authorization, amplified, retransmitted or relayed on the same or any other frequency by any satellite, translator or booster station, cable television system or any other device or method not authorized herein for reception outside the "specified zone" of the community to which the Station is licensed (as such term is defined in Rule 76.5(f) and in Section 76.53 of the FCC), VIACOM shall have the right, in its absolute discretion, to terminate this Agreement in accordance with the termination provisions set forth in Paragraph 6 below and such event shall constitute a "termination event" in accordance with the provisions of such Paragraph 6. Any Station whose programming, in whole or in part, shall as at the commencement of the term hereof be distributed outside of Station's "specified zone" by means of satellite shall not be subject to termination pursuant to this Paragraph 1(b).

2. USE OF MATERIALS AND EPISODES:

Station shall not make, authorize or permit any use of any videotape or any other materials of the Episodes or the Episodes other than as specified herein, including, without in any way being limited to, copying, duplicating, or sublicensing the use of, any Episode, videotape or other material, or portion thereof, or authorizing or permitting the exhibition, whether by way of television broadcasting or otherwise, of any Episode, videotape or other material, or portion thereof, in any theater, auditorium or other place to which an admission fee is charged, or doing anything which may impair the copyright in any Episode or portion thereof, or VIACOM's title to any videotape or other material thereof.

3. CONSIDERATION:

the commencement of the Term hereof

(a) *Fee:* Station agrees that (i) from and after ~~VIACOM's acceptance of Station's offer~~, VIACOM is entitled to the full amount of the Actual License Fee as the same shall be determined at any given point in time during the term of this Agreement, (ii) the right to pay the Actual License Fee in installments is an accommodation to Station and (iii) no development or event of any kind (including, without limitation, a failure of Station for any reason to make any broadcast under this Agreement) shall limit Station's obligation to pay the full amount of the Actual License Fee to VIACOM as required hereunder, except as expressly provided herein. Station will pay VIACOM (in U.S. dollars to such address as VIACOM may from time to time specify to Station) the Actual License Fee in such installments as are specified and at the times as are specified in Paragraph A(4) (a) of the Agreement.

4. INTEREST:

Interest at the lesser of (i) the rate of 1 1/4% per month or (ii) the maximum rate allowable by law shall accrue and be payable on any payment due to VIACOM hereunder which shall not be made within thirty (30) days after the due date thereof hereunder for the entire period for which any such payment shall remain outstanding.

5. DELIVERY. (Paragraph 5 applies to Paragraph B (Bonus Runs) only)

(a) *Satellite Delivery:* With respect to each Episode to be broadcast hereunder, VIACOM will transmit or cause the transmission of such Episode to a satellite transponder for reception by earth stations ("Uplink Feed") at least two (2) business days prior to the scheduled broadcast of such Episode. Station shall be responsible for downlink costs (if any) and any other costs of transmitting the Episode from the satellite to Station's facilities. Station may store the Episode on Station's videotape for such scheduled broadcast but Station shall (i) erase such Episode immediately following such broadcast and (ii) furnish VIACOM, on or before two (2) weeks after the scheduled broadcast thereof, with a Certificate of Erasure or Destruction signed by an authorized officer of Station naming such Episode, listing by commercial i.d. number the VIACOM commercial inventory contained therein and certifying that the entire videotape of the Episode was either erased or destroyed, as the case may be. Notwithstanding anything else to the contrary contained herein, Station shall immediately furnish VIACOM with a Certificate of Erasure or Destruction complying with the foregoing of all copies of all Episodes upon any sooner termination or cancellation of this Agreement. VIACOM will provide Station with transmission times, satellite and transponder numbers in advance. In the event that Station has not received

STANDARD TERMS AND CONDITIONS (Continued)

(b) Licensee represents and agrees that the License Fee specified herein constitutes payment solely for Licensee's right to telecast the Audiovisual Work(s) over the facilities of the station(s) specified in the Agreement for gratuitous reception by the public and do not include any compensation to the Distributor for retransmission thereof by other facilities, whether owned by Licensee or by a third party. Licensee shall not authorize or permit any copying, duplication, reproduction, performance, retransmission, or exhibition of any Audiovisual Work(s) or any portion thereof nor shall Licensee telecast, relay the telecast, or authorize others to telecast any of the Audiovisual Work(s) over the facilities of any additional station, booster station, satellite station, cable system or satellite, network, simultaneous transmission, or other facilities for carriage, or retelecast outside of Licensee's area of exclusivity as defined in Paragraph 16 hereof. Licensee shall not telecast any Audiovisual Work(s) into any place where an admission price is charged or where the reception of the telecast by the public is made subject to the payment of a license, subscription, or any other fee. Any royalties or fees which become payable to or shall be received by Licensee by virtue of any statute, governmental regulation, or by operation of law in any manner, as the result of a retransmission of the Audiovisual Work(s) by any booster station, translator, repeater, satellite, cable television system, relay broadcast, network simultaneous transmission, or otherwise shall belong to Distributor and, if received by Licensee, shall be held by Licensee as agent and trustee for Distributor and shall be promptly paid to Distributor.

(c) Licensee agrees that the license granted to Licensee hereunder and the License Fee specified hereunder are based upon the effective radiated power of the station(s) enumerated herein as of the date of the Agreement. In the event Licensee increases the effective radiated power of the station(s) enumerated or moves its tower, or changes its coverage area subsequent to the date of the Agreement, Licensee, at the election of Distributor and upon notification by the Distributor, will not further telecast or exhibit the Audiovisual Work(s) except with the consent of Distributor until after the Agreement has been renegotiated in good faith by the parties. In the event that Licensee's signal is carried by a cable company into any area outside Licensee's area of exclusivity as defined in Paragraph 16 hereof or in the event Licensee willingly or unwillingly becomes a super station (i.e., Licensee's signal is received by a common carrier and rebroadcast into any area outside of Licensee's area of exclusivity) during the term of this license, Licensee, at the election of Distributor, shall renegotiate the Agreement in good faith. Licensee's obligation to renegotiate in good faith shall revive in each instance where the carriage of Licensee's signal is expanded through retransmission. The parties agree that any breach under this subparagraph 7(c) shall constitute a material breach of the Agreement.

8. EXHIBITION OF PROGRAMS, CREDITS, ALTERATIONS OF COPIES

The Audiovisual Work(s) shall be exhibited exactly as delivered to Licensee, and in such cases where Distributor provides breaks for commercials, no changes whatsoever shall be made without prior written permission from Distributor. In such cases where Distributor provides (i) an uncut film print, Licensee may make minor cuts or alterations as provided below, on condition that the film print is restored to the condition that it was delivered to Licensee, or (ii) an uncut videotape, Licensee will make a duplicate pursuant to Paragraph 2(b) above, and may make minor cuts or alterations to that duplicate as provided below. Such cuts or alterations will only be made in order to: (a) insert announcements; (b) to conform to time segment requirements; (c) to conform to municipal, state or Federal Laws; (d) to conform to the standards of the Federal Communications Commission. No such insertion of commercial material shall adversely affect the artistic or pictorial quality of any Audiovisual Work(s) or materially interfere with its continuity. Licensee acknowledges and agrees that the Agreement and the licenses granted hereunder are expressly conditioned upon Licensee's telecasting of the copyright notice appearing in each Audiovisual Work. Licensee further agrees that it will telecast in full the main and end titles, screen credits, release credits, trademarks, trade names and all other symbols or notices appearing in each Audiovisual Work. Licensee agrees to furnish Distributor within ten (10) days following each calendar month of the term hereof, monthly reports signed by Licensee, on Distributor's form or a form approved by Distributor, indicating whether or not any Audiovisual Work(s) were telecast by Licensee during such calendar month and if so, the specific Audiovisual Work(s) so telecast and the dates of each such telecast. Further, Licensee agrees to furnish to the American Federation of Television and Radio Artists or the Screen Actors Guild, whichever is applicable, within thirty (30) days following the close of each quarterly period during the term of the license granted hereunder, quarterly reports indicating the Audiovisual Work(s) telecast during such quarter and the dates of each such telecast. Distributor reserves the right to change the title of any Audiovisual Work, in which event the new title shall be used by Licensee in connection with any telecast of such Audiovisual Work or the advertising thereof.

9. INDEMNIFICATION

Licensee will indemnify and hold harmless Distributor and its officers, directors, shareholders, employees and agents from and against any and all claims, damages, liabilities, losses, costs and expenses, including reasonable fees of counsel, of any nature arising from any breach or alleged breach by Licensee of any term or provision of the Agreement. Further, Licensee will indemnify and hold Distributor and its officers, directors, shareholders, employees, and agents harmless from and against any and all claims, damages, liabilities, losses, costs and expenses, including reasonable fees of counsel, arising from the broadcasting of any materials, other than the content of the Audiovisual Work(s) which Licensee may broadcast or authorize to be broadcast in connection with the Audiovisual Work(s).

10. ADVERTISING AND USE OF NAME AND LIKENESS

Licensee shall follow all instructions of Distributor regarding the use of the name and/or likeness of any person appearing in or associated with any Audiovisual Work(s) in connection with advertising the Audiovisual Work(s). All advertising or commercial content utilized in connection with the Audiovisual Work(s) shall comply with any governmental, regulatory, or industrywide code(s). Licensee shall not utilize the name or likeness of any person appearing in or associated with any Audiovisual Work(s) for any commercial tie-in or for any other purpose except the advertisement of the telecasting of the Audiovisual Work(s) in the broadcast area of the station(s) specified. Without limiting the generality of the foregoing, Licensee agrees that it shall not make or permit to be made, in any advertising, publicity or otherwise, any statements which directly or indirectly, expressly or by implication, (a) constitute an endorsement of any sponsor, product, article or service by Distributor, the producer or copyright proprietor of the Audiovisual Work(s), any performer appearing therein, the director, or anyone else connected or associated with the Audiovisual Work(s), or the production or distribution thereof, or (b) indicate that any such person is connected or associated with or is employed or engaged by Licensee or any sponsor. In the event Licensee chooses to use any excerpts from any of the Audiovisual Work(s) in commercial material advertising the Audiovisual Work(s), Licensee agrees not to use, or authorize the use of, any excerpts which will trigger any residual or other payments pursuant to any applicable collective bargaining agreement(s). Without in any way limiting the indemnification obligations contained elsewhere in the Agreement, Licensee specifically agrees to indemnify and hold Distributor harmless from and against any and all claims, damages, liabilities, payments, losses, costs and expenses, including reasonable fees of counsel, arising out of any use of any excerpt of any Audiovisual Work(s) by (or authorized by) Licensee.

11. WITHDRAWAL OF AUDIOVISUAL WORK(S)

(a) **GROUND(S) FOR WITHDRAWAL.** Distributor may, in its absolute discretion, withdraw any licensed Audiovisual Work(s) if Distributor determines that the telecasting thereof would or might (a) infringe upon the rights of others; (b) violate any law, court order, governmental regulation or other ruling of any governmental agency; or (c) subject Distributor to any liability. Furthermore, Distributor may withdraw any Audiovisual Work(s) by reason of the failure, misfeasance, malfeasance or nonfeasance of any carrier, transportation agency

TELEVISION LICENSE AGREEMENT STANDARD TERMS - DOMESTIC

Licensee acknowledges that each Picture was individually listed and separately priced, and that Licensor offered each Picture on a Picture by Picture basis without discrimination and without conditioning the licensing of any one Picture upon the licensing of any other Picture. Licensee acknowledges that it desires to acquire a license for each Picture listed in Schedule "B", and that the License for all Pictures are included in this License Agreement for convenience only. In the event that the negotiations were conducted on an aggregate fee basis, Licensee acknowledges that such fee arrangement was done at its request, although it had an opportunity to negotiate on a Picture by Picture basis. Licensee further acknowledges that it is fully aware of Licensor's policy to afford Licensee and all other television stations, if any, in Licensee's market area, the opportunity to license any one or more of the Pictures that Licensor has available for licensing in said market area, and that Licensor has actually afforded Licensee such opportunity; that Licensee is entering into this licensing agreement upon the terms herein contained; that there are no conditions or representations of any kind other than those expressly stated herein; that in licensing any one Picture hereunder Licensor in no way has compelled Licensee to license any other Picture; and that no representative of Licensor has any authority to alter Licensor's policy referred to in this paragraph. Licensor and Licensee acknowledge that this Agreement gives Licensee the exclusive right to keep Licensor's Pictures from being broadcast by competitors whether or not Licensee chooses to broadcast the Pictures. Licensee also acknowledges that this Agreement provides it with programming flexibility and options that it would not otherwise enjoy. Licensor and Licensee acknowledge that broadcasting or withholding the Pictures from broadcast may, depending on circumstances, better suit the business objectives of Licensee. In view of the above, Licensor and Licensee acknowledge that the possession of the exclusive right to broadcast constitutes a use of the product by Licensee. Licensor and Licensee acknowledge that the timely performance of all obligations under this Agreement is essential. Licensor's business, not only with Licensee but also with others similarly situated, requires that it be able to rely on the faithful and timely performance of obligations by Licensee under this Agreement.

1. **LICENSE** -- Subject to Licensor's receipt of full consideration from Licensee due hereunder, and the performance by Licensee of each of its obligations hereunder including, but not limited to, conditions set forth in Rider "C" hereof, Licensor grants and Licensee accepts a limited license under copyright to exclusively telecast in the area noted on Schedule "A" hereof, but nowhere else in the world, the Pictures only by means of free home television over the Licensee's station, for the number of telecasts per Picture and during the license term as set forth on Schedule "A". None of the Pictures shall be broadcast, telecast, cablecast, exhibited or transmitted by Licensee or under authority of Licensee over facilities using increased radiated power, a higher, larger or taller antenna or an antenna in any other location or over the facilities of any additional stations, booster stations, translators, satellites, cable television systems, earth transmission and receiver stations, networks, microwave or closed circuit systems of any kind, relay broadcast or otherwise, nor shall the Pictures be broadcast, telecast, cablecast, exhibited or transmitted into any place where any admission fee is charged or where the reception or exhibition of any Picture is or shall be subject to the payment of any toll, license, subscription fee or other consideration or charge, all of which rights are expressly excluded from the license granted to Licensee hereunder and are reserved to Licensor in addition to the rights reserved by Licensor pursuant to Paragraph 13 hereof.

2. **STARTING DATE** -- The first date on which the Pictures may be telecast hereunder shall be the Starting Date as set forth in Schedule "A". provided, that Licensor shall have the right to designate by written notice to Licensee an alternate starting date and in such event, the Starting Date shall be deemed to be such alternate starting date. If an on or before (O/B) Starting Date is specified in Schedule "A", Licensee agrees to advise Licensor in writing of Licensee's scheduled Start Date and frequency for telecasting the Pictures by not later than thirty (30) days prior to such scheduled Start Date in order to assure timely delivery of materials. In such event, it is understood that the term of this agreement shall commence on the date of the first licensed telecast or the Start Date so specified in Schedule "A", whichever is earlier.

3. **USAGE REPORTS** -- Licensee shall give Licensor notice in writing of the date on which Licensee intends to telecast any Pictures by no later than thirty (30) days prior to the date of such scheduled telecast. Licensee shall thereafter notify Licensor and the Screen Actors Guild, 7065 Hollywood Boulevard, Hollywood, CA, 90028, within ten (10) days after the end of each month in which telecasting of any Picture is scheduled as to the title of any Picture so telecast and the date of the telecast during the preceding month. Pictures which are pre-empted by Licensee but not so reported to Licensor within seventy-two (72) hours after pre-emption shall be deemed telecast.

4. **ALTERATION OF PRINTS** -- Licensee may make only such minor cuts or deletions as are necessary to make the Pictures conform to the orders of any duly authorized public censorship authority, its time segment requirements and its continuity acceptance standards, and may add commercial matter provided it is made clear to the television viewers that such commercial matter is not part of the continuity of the Pictures. Licensee will not delete the copyright notice and/or the credits incorporated in the Pictures as delivered by Licensor. Licensee shall give Licensor reasonable prior written notice of its intent to cut or alter any Pictures. The following cuts shall not be deemed minor hereunder: any cut that impairs the basic storyline of any Picture or impairs or adversely affects the artistic and pictorial quality of the Pictures or interferes with its continuity or any cuts that are longer in the aggregate than five percent of the total running time of any Picture. Licensee may not sensitize any Picture. Any breach or violation of this paragraph shall constitute a default entitling Licensor, at its election, in addition to any and all rights or remedies available to Licensor and without releasing or discharging Licensee from any liability hereunder, to terminate this Agreement in whole or in part, or with respect to any Picture or Pictures. Licensee shall replace all cuts and alterations and delete all commercial matter so that returnable materials are in the same condition as received, normal wear and tear excepted.

5. **ADVERTISING** -- Licensor will furnish Licensee such promotional and advertising material as Licensor may have available and appropriate for use hereunder.

Licensee warrants and agrees that (a) it will abide by and comply with any advertising and billing instructions which Licensor may furnish Licensee; (b) any advertising by Licensee will not constitute an express or implied endorsement of any product, service or sponsor; (c) it will not advertise or announce in any manner or media any title changed by Licensor of any Picture, nor will it advertise any Pictures withdrawn by Licensor; (d) Licensee, its sponsors and advertisers will abide by and comply with the screen billing in the same form as it appears in the Picture, that is, all advertising shall give cast and other credits in the same manner, position and relative size and prominence of type as those credits appear in the main title of the respective Picture; (e) it will not create, develop, extract or excerpt from the Pictures to advertise and promote the Pictures; (f) it will comply with all Collective Bargaining Agreements concerning advertising and promotion requirements with respect to any Picture; and (g) it will indemnify Licensor against all costs, damages, and expenses, including but not limited to reasonable attorneys' fees incurred by or caused to Licensor by reason of any actual or alleged breach by Licensee of the provisions of this paragraph.

6. **WARRANTIES** -- Licensor warrants that except with respect to any material added by Licensee and except as with respect to music which is specifically provided for in paragraph 7 below, it has the right to license the telecasts of the Pictures as herein provided. Subject to the performance by Licensee of each of its obligations hereunder, Licensor will indemnify Licensee against any damages awarded in any final judgment entered against Licensee (other than for loss of profits or consequential damages sustained by Licensee) or settlement approved by Licensor, as a result of a breach of any warranty made by Licensor herein or by reason of claim that the exercise by Licensee of the rights herein granted violates the rights of others, provided, however, prompt detailed written notice of claim of such breach of warranty or violation is given by Licensee to Licensor. Licensor shall have full control over the defense and/or settlement of any such claim or litigation including the right to engage its own counsel, and Licensee shall not continue the exhibition of such Picture thereafter without the written consent of Licensor. Licensee shall cooperate fully with Licensor in the defense or settlement of any such claim or litigation. Licensor's liability for the aggregate of all claims with respect to a Picture shall be limited to the license fee for such Picture. Licensee will indemnify Licensor, its officers, directors and licensees from all claims or liabilities including reasonable costs and expenses and reasonable attorneys' fees arising from the breach of any provision of this Agreement by Licensee or from the telecasting of any material in connection with or relating to the Pictures other than material contained in the Pictures as delivered by Licensor.

7. **MUSIC PERFORMING RIGHTS** -- Licensor warrants to the best of its knowledge, information and belief that the performance rights in the music contained in the Pictures are (a) controlled by ASCAP or BMI or SESAC; or (b) are in the public domain; or (c) are controlled by Licensor and not available for licensing through the music performance societies. Licensor agrees to indemnify Licensee against liability, loss, damage or expense arising out of the performance of the music in the Pictures described in (c) above. If music in (a) above is included in a Picture, Licensee, at its sole cost and expense, shall be responsible for obtaining a license to perform such music, and Licensee agrees to indemnify Licensor against any liability, loss, damage or expense arising from the performance of such music by Licensee.

8. **CONSIDERATION** -- (a) Licensee shall render consideration to Licensor as stipulated in Schedule "A", and/or in Rider "C", as the case may be, at the times and in the manner therein specified.

(b) The license granted to Licensee hereunder and the consideration fixed pursuant to the terms hereof are based upon the effective radiated power, tower location and coverage area of the television station herein designated as of the date of this Agreement. In the event Licensee increases its effective radiated power, moves its tower or changes its coverage area subsequent to the date of this Agreement, Licensee will not broadcast or exhibit any of the Pictures except with the consent of Licensor after this Agreement shall have been renegotiated. Nothing in this paragraph contained, however, shall release or discharge Licensee from any of its obligations hereunder.

Paramount shall deliver a new Copy by Shipment, or make a Satellite Delivery from which Licensee can make a Duplicate Copy, of the destroyed Picture in advance of the additional telecast.

(iii) **Return of Materials:** Licensee shall return prepaid to Paramount (or upon Paramount's written request shall destroy) all Materials furnished by Paramount within one (1) week following completion of the use of such Materials by Licensee.

(iv) **Damage or Loss:** If the Copies or any Materials furnished by Paramount are lost, stolen, destroyed or damaged between delivery to Licensee and receipt by Paramount or its designee, Licensee shall, upon request, furnish to Paramount appropriate and satisfactory affidavits or other evidence of loss, theft, destruction or damage with respect thereto and shall pay Paramount the cost of replacement thereof within seven (7) days after billing by Paramount. No such payment shall be construed to transfer to Licensee any right, title or interest in or to said Copies or Materials. Licensee shall be liable for any damages incurred by Paramount by reason of any failure by Licensee to return Copies or Materials in accordance with the provisions hereof.

(e) **DELAY:** If Paramount or Licensee is delayed in or prevented from making delivery or return of any Copies or Materials hereunder by reason of any Force Majeure Event (as defined in Paragraph 10(e) hereof), such delay or failure to make delivery or return shall not be deemed a breach of this Agreement.

(f) **SECURITY MEASURES:** Licensee shall employ adequate security systems and procedures to prevent theft, pirating, unauthorized use or exhibition, copying or duplication of Copies or Duplicate Copies.

2. ALTERATION OF PRINTS

Each Picture shall be telecast in its entirety in a single continuous time period interrupted only by commercial, public service and station break announcements. Licensee may make such minor cuts as are necessary to: (a) insert commercial announcements; (b) conform to applicable laws; (c) conform to local community standards for nudity, profanity and violence; and (d) conform to the standards of the FCC. No cut or alteration shall adversely affect the artistic or pictorial quality of the Picture or materially interfere with its continuity, and in this respect alteration of the timing of the Picture by any form of compression or expansion including but not limited to the method commonly referred to as "lexiconning," or by the employment of any other similar or dissimilar method, process or device shall be a material breach of this Agreement. Under no circumstances shall Licensee delete or reposition any copyright notice, trademark or other symbol or notice or any credits or billings incorporated in the Pictures as delivered by Paramount. Without limiting the generality of the foregoing, it is an express requirement of this Agreement and a condition of Paramount's authorization of the telecast of the Pictures, that when telecast, each Picture bear the copyright notice contained in the Pictures as delivered by Paramount. Prior to the return of any Copy to Paramount, Licensee shall at its own expense restore such Copy to exactly the same form and condition (i.e., to its original sequence and running time with all cuts reinserted) in which such Copy was originally delivered by Paramount.

3. TELECAST RIGHTS

(a) (i) Licensee shall telecast each Picture licensed hereunder solely from the originating transmitter and antenna of the Licensed Station(s) for gratuitous home reception.

(ii) Licensee shall not: (a) telecast any Picture into any place where an admission price is charged or where the reception of the telecast is made subject to the payment of a fee; (b) relay the telecast of any Picture to any other party; (c) cause, authorize or permit the duplication or recording of any Picture or the sound track thereof, or any part thereof, or the use of any of the Pictures for any purpose other than the purposes herein specified; or (d) telecast or authorize others to telecast any of the Pictures over the facilities of any additional television station, booster station, satellite, cable television system, translators, or by any other device or method not expressly authorized hereunder.

(iii) Notwithstanding the foregoing, Licensee shall have the right to transmit the Pictures over the facilities of its translator(s) simultaneously with its transmissions over the facilities of its main transmitter. In the event the signal emanating from said translator(s) is received in a separate market having its own Area of Dominant Influence (ADI) as defined by Arbitron or having its own Designated Market Area (DMA) as defined by A.C. Nielsen Company, Paramount shall have the right, at any time, but not the obligation, to rescind Licensee's retransmission rights. Further, notwithstanding anything to the contrary contained herein, Licensee shall not be deemed to be in breach hereunder by reason of the signal of the Licensed Station(s) being carried by a cable television system whose cable transmission originates within the same ADI as Licensee's; provided, however, that nothing contained herein shall be deemed a license to a cable television

system to transmit any Picture licensed hereunder or affect the rights of Paramount as against any cable television system.

(b) Licensee acknowledges that as to each Picture and the literary, dramatic and musical material included in each Picture and upon which each is based, Paramount hereby expressly reserves any and all rights not herein expressly granted to Licensee, including without limitation the right to change the title of each Picture, telecast film clips and trailers of each Picture and produce documentaries based upon the production of each Picture, prequel, sequel and remake rights, theatrical rights, sound recording rights, stage rights, home video rights, the right to produce and distribute animated versions and all other non-theatrical rights not herein granted, and that any such reserved rights may be exercised and exploited by Paramount concurrently with Licensee's exploitation of the Pictures, freely and without limitation or restriction whether or not deemed competitive to Licensee or the license granted hereunder. Nothing shall preclude Paramount from advertising, exploiting and promoting each Picture or parts thereof in any manner, in any and all media including without limitation, free television, without any obligation whatsoever to Licensee.

(c) Paramount reserves the right to change the title of any Picture(s) licensed hereunder and, at the request of Paramount, Licensee will not thereafter telecast any such Picture(s) except under the new title.

(d) Licensee shall, within seven (7) days after the end of each calendar month during the term of this Agreement, send to Paramount a certified statement setting forth the date and place of emanation of each telecast of each Picture during the preceding month. A copy of each such statement shall be sent by Licensee directly to Screen Actors Guild, Inc., 7065 Hollywood Boulevard, Hollywood, California 90028 and upon prior written notice from Paramount, to The American Federation of Radio and Television Artists, 6422 Hollywood Boulevard, Hollywood, California 90028.

4. USE OF NAMES FOR ADVERTISING; COMPLIANCE

Licensee may use, prior to telecast, the names and likenesses of the producer, directors, actors and other artists and performers connected with each Picture in advertising the telecast thereof, provided, however, Licensee warrants and agrees that: (a) it shall abide by and comply with all promotional advertising restrictions including, without limitation, billing instructions which Paramount may furnish Licensee; (b) any advertising by Licensee shall not constitute an express or implied endorsement of any product, service or sponsor; (c) Licensee shall not advertise or announce in any manner or media any title changed by Paramount or any Picture or Pictures withdrawn by Paramount; (d) Licensee shall abide by and comply with the screen billing in the same form as it appears on the Pictures; (e) Licensee shall not utilize the name or likeness of any person appearing in or associated with any Picture for any commercial tie-in, merchandising effort or any other purpose except the advertisement of the telecasting of the Pictures hereunder; and (f) Licensee shall not use or authorize the use of any excerpts from any Picture which will cause Paramount to become obligated to pay any residual, reuse or other payments pursuant to any applicable collective bargaining agreement.

5. TAXES

Licensee shall pay, and hold Paramount harmless from, all taxes (excluding Paramount's income and franchise taxes), charges, assessments and other fees now or hereafter imposed, or based upon or resulting from the license granted hereunder, delivery to, or exhibition, possession or use by the Licensee of the Copies, Duplicate Copies and Pictures licensed hereunder. Payment by the Licensee of the foregoing shall in no way diminish the license fees due Paramount hereunder. To the extent that payment of any of the foregoing is made by Paramount, Licensee shall reimburse Paramount on demand, and upon the failure of Licensee to so reimburse Paramount, Paramount shall have all the same remedies as it does for the collection of unpaid license fees, as well as any and all other remedies provided by law.

6. PAYMENT OF LICENSE FEES

(a) In consideration of the license herein granted to Licensee, Licensee agrees to pay to Paramount the license fees specified herein. Paramount shall have no obligation to invoice Licensee for any payment or payments to be made hereunder, and all such payments shall be due and payable, at the time or times specified herein and regardless of whether Licensee has been separately invoiced therefor, to Paramount Pictures Corporation, Department 4193-02, Pasadena, California 91050-4193 or to such other address as Paramount may, from time to time, designate in writing to Licensee. All payments required to be made hereunder shall be made regardless of whether or not Licensee shall have telecast the Picture(s). It is understood and agreed that the consideration for the grant of telecast rights herein is payment in full of the total license fees set forth herein. In this regard, it is expressly acknowledged and agreed that if the payment

trailers, print advertising) and any and all other materials related to the Program. Licensee shall promptly furnish and/or execute any document requested by Licensor in evidence of such exclusive ownership rights and interests. Possession of any of the foregoing by Licensee shall be solely for the purpose of exercising its rights hereunder. Licensee shall not and agrees not to impair Licensor's rights, title or interest therein, or to create or permit a lien or encumbrance thereon, or to in any manner perform any act in derogation of such rights, title and interests in Licensor. Licensor hereby expressly reserves any and all rights not herein expressly granted to Licensee, and that any such reserved rights may be exercised and exploited by Licensor concurrently with Licensee freely and without limitation or restriction whether or not deemed competitive to Licensee or the License granted hereunder.

→ 5. EXPANDED BROADCASTS. Unless there are specific provisions to the contrary in this Agreement, the License Fee, and/or Licensor's Commercial Time, as applicable, constitutes payment and consideration solely for Licensee's right to broadcast the Program(s) over the existing facilities of the Station(s) specified on the reverse side hereof, and does not include any compensation or consideration to Licensor for the retransmission thereof by other facilities whether owned by Licensee or by third parties. Any royalties or fees which become payable to or shall be received by Licensee by virtue of any statute, governmental regulation or by operation of law or in any other manner, as the result of the amplification, retransmission or relaying of the Program(s) on the same or any other frequency by any booster station, translator, repeater, satellite, cable television system, relay broadcast, or otherwise shall belong to Licensor and, if received by Licensee, shall be held by Licensee as agent and/or trustee for Licensor and shall be promptly paid over to Licensor, without demand therefor by Licensor. The license granted hereunder and the consideration specified herein for the license granted hereunder are based upon the existing antenna and transmitter effective radiated power of the Station(s) as of the date of this Agreement. If the Station(s) increases its effective radiated power, increases the height of its antenna tower, or moves its antenna tower or transmitter, or changes the coverage of the licensed broadcast area, Licensee shall not broadcast any Program except with the written consent of the Licensor. Nothing herein contained shall release or discharge Licensee from any of its obligations under this Agreement nor shall impair any rights Licensor may have to terminate this Agreement.

6. RECEPTION OF OTHER BROADCASTS. Licensee acknowledges that broadcasts or direct broadcast satellite transmissions of any of the Programs, regardless of language, originating outside its Exclusive Territory may be received by television sets located within its Exclusive Territory and Licensee agrees that such reception shall not constitute a breach of this Agreement by Licensor.

7. TRANSLATORS. In the event Licensor has granted Licensee a non-exclusive right to retransmit the Program(s) licensed hereunder in their entirety and without any deletion or alteration thereto over the facilities of any translator/satellite station listed on the reverse side hereof, any such retransmission shall be via earth-based retransmission only (i.e., not via satellite or similar means), simultaneously with its transmissions over the facilities of its main transmitter; provided however, that in the event that the geographical reference point assigned to such translator/satellite station by Federal Communication Commission Rule Section 76.53 is within thirty-five (35) miles of another geographical reference point, Licensor may rescind Licensee's right to make such retransmission, which rescission shall be deemed effective as of the date of this Agreement. Licensee agrees to indemnify Licensor and its successors or assigns and

Barter Split.

A. Each half-hour episode will be formatted for five and one quarter ($5\frac{1}{4}$) minutes of commercial announcements within each Series.

B. In each episode broadcast of CHIP 'N' DALE'S RESCUE RANGERS, GUMMI BEARS, WINNIE THE POOH and DUCKTALES, Client will broadcast two (2) minutes (in the fourth calendar quarter) and two and one-half ($2\frac{1}{2}$) minutes in each episode (in the first, second and third calendar quarters) of commercial announcements to be sold by BVT ("BVT's Commercial Announcements"). In each episode broadcast of the TBA Program, Client will broadcast $2\frac{3}{4}$ minutes in each episode (in the fourth calendar quarter) and $2\frac{1}{4}$ minutes in each episode (in the first, second and third quarters) of BVT's Commercial Announcements. All remaining commercial announcements (i.e. remaining from the total described in paragraph 5A above) in each episode will be retained by Client. BVT's Commercial Announcements must be broadcast in the episodes in the Broadcast Days And Time specified in paragraph 3 above. Broadcast of the episodes and BVT's Commercial Announcements within the episodes as specified in this Agreement is the essence of this Agreement. However, Client may preempt the scheduled broadcast of an episode of any Series for only late breaking news, an event of urgent national importance, or to broadcast a unique one-time special event. If any episode is preempted, Client will broadcast BVT's Commercial Announcements within seven (7) days of the Scheduled Broadcast Day and Time of the preempted episode in the Broadcast Time specified in paragraph 3 above. Client shall give BVT prior written notice as far in advance as possible of any preemption and the makegood broadcast day and time of BVT's Commercial Announcements.

C. Within ten (10) days after the end of each month, Client shall give BVT an affidavit evidencing broadcast of BVT's Commercial Announcements in the preceding month.

6. Delivery. BVT will give Client prior notice of the method(s) of delivery of each Series, e.g., tape, satellite. If the Series are delivered by satellite, BVT will be responsible for any uplinking costs. Client will be responsible for all other delivery charges including downlinking costs if delivery is by satellite and any duplication costs. BVT anticipates delivering each Series with its commercials fully integrated, but if Client is asked to integrate commercials, it will not charge BVT any commercial integration fees.

7. Alteration and Retransmission. Client will not delete or alter any of the material contained in the episodes of each Series, including commercial or similar material, from the format provided Client by BVT. Only Client is granted the right to transmit each Series in only free broadcast television syndication from only the originating and existing transmitter and antenna tower of the station identified on page 1 hereof ("Station"). Client will not, nor authorize others to, increase the existing coverage of the Station without BVT's prior written consent, by, among other things, simultaneously or otherwise transmitting any Series episodes or any part of them over any translator, booster, cable or satellite stations or any other means of retransmission. The previous sentence does not restrict carriage of Client's signal under section 111 of the Copyright Act of 1976 (i.e. compulsory license), but any monies payable under such compulsory license or otherwise from retransmission will belong solely to BVT and will be remitted to BVT by Client as trustee for BVT's funds immediately upon receipt.

8. Additional Provision. Client agrees that Client will not broadcast any Series licensed hereunder opposite The Magical World of Disney or any regularly scheduled animated picture, program, special or series episode produced and/or distributed by BVT or any subsidiary or affiliate of the Walt Disney Company.

9. Exclusivity. BVT shall not license in the English language any Series licensed hereunder during the Term hereof to another free television station whose signal originates and whose geographical reference point is within a thirty-five (35) mile radius of the geographical reference point of Client's Market/FCC City of identification as designated in this Agreement, as specified in Section 76.53 of the Federal Communications Commission Rules.

10. Substitute Series. If BVT, in its sole discretion, withdraws or fails to release a Series in national syndication, BVT, upon at least four (4) weeks prior written notice, may supply Client with one or more substitute series (including but not limited to original, first-run or off-network or library episodes) ("Substitute Series"). Any Substitute Series shall be subject to all the same terms and conditions as are set forth herein for the Series, except that Client will, if notified by BVT, broadcast the Substitute Series at a different broadcast time than the Series is then currently being broadcast, subject to the limitations specified in paragraph 3. The rights granted hereunder to the Series that has been withdrawn or failed to be released in national syndication shall automatically revert to BVT upon delivery of the applicable Substitute Series.